



# Economic Development *Quarterly*

An official publication of the Volusia County Economic Development Division





## Welcome to Economic Development Quarterly

Welcome to Economic Development Quarterly, a publication brought to you by the Volusia County Economic Development Division. This publication is being produced for people who have an interest in the area's business, economic development and real estate market.

Our goal is to use this publication as an economic development tool, to keep you informed and to provide information and statistics that have meaning to your business. This publication is owned by the Volusia County Government and is produced and sold by the Volusia/Flagler Business Report through contract. Content is solely the responsibility of the Volusia County Economic Development Division.

We're interested in your comments and story ideas. Please contact David Byron, community information director, 386-822-5062, or by e-mail at [dbryon@volusia.org](mailto:dbryon@volusia.org). If you'd like to become an advertiser, please contact Debbie Keesee at the Volusia/Flagler Business Report at 386-681-2500.

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# VMA names Command Medical 'Manufacturer of the Year'



Best of the best recognized at 34<sup>th</sup> annual banquet

They came — the doers, the makers, the local manufacturers — 360 strong to celebrate this year's best in manufacturing at VMA's recent 34<sup>th</sup> annual awards banquet at the Daytona 500 Club. Each year VMA recognizes the performance excellence of the individuals and companies nominated by the membership and evaluated by a panel of peers.

Command Medical Products, Ormond Beach, was named the 2014 Lou Fifer Manufacturer of the Year because it embodies the culture that symbolizes a world class organization. David Slick Sr., president and founder of the company, was presented the Manny Award and inducted into the VMA Hall of Fame for lifetime achievement in manufacturing.

"Early on I fell in love with the whole manufacturing process," said Slick. "I was amazed at how you could take an idea from a piece of paper and make it into a final product. It was exhilarating to me."

Sparton, DeLeon Springs, won the Best Practice Award for its process and quality improvement system.

Rob Ehrhardt, Volusia County Economic Development director, presented the Exporter of the Year to QuantumFlo Inc., DeBary. This award is presented to a Volusia County firm that demonstrates outstanding export performance. The award is sponsored by Volusia County Economic Development and VMA.



**Jayne Fifer,**  
President/CEO,  
Volusia  
Manufacturer's  
Association

Diane Knepple, AO Precision Manufacturing, Daytona Beach, was chosen as the Karl Schiller Manufacturer Member of the Year. Tawnya Titus, Remedy Intelligent

Staffing, Daytona Beach, received the Friend of Industry award.

Education also took the spotlight at the banquet to illustrate VMA's commitment to building the future workforce. The Spruce Creek High School Academy of Information Technology and Robotics (AITR) Teacher Team received a VMA special recognition for the innovative and enthusiastic education provided to academy students. The AITR has been recognized nationally by the Ford Next Generation Learning Foundation as the best academy. Ronda Alexander, Ford NGL, came in from Detroit to present the trophy. Matt Cawood, an engineer at Thomas & Betts, was selected as the Dream It! Do It! Champion for the time and talent he contributed to the AITR Robotics competition effort.

The awards night also included a salute to Happy Hielscher who retired from Thomas & Betts after 48 years.

VMA is the manufacturing alliance serving Flagler, Volusia and the surrounding counties manufacturers. ■



# Blue Coast Bakery sets up shop at former U.S. Foodservice complex

Ever wonder where those mouth-watering baked goods at coffee houses, hotels and restaurants come from? Before long, some of them will be coming from a large commercial bakery in Ormond Beach.

Blue Coast Bakers soon will be up and running as a wholesale baked goods company that supplies a national clientele that includes international restaurants and chains.

Kambiz Zarabi is the company's managing director. Last fall in an address to members of Team Volusia, he spoke of his love of this community and his commitment to creating a successful venture that will produce products of uncompromising quality, exceptional value, the highest levels of customer service, and good jobs for local candidates who share the company's values. Products will include a variety of baked goods, quiches, sandwiches and more.

This is not your neighborhood bakery. Blue Coast Bakers purchased the former U.S. Foodservice complex on U.S. 1 in Ormond Beach near Interstate 95. The complex includes a 200,000-square-foot plant.

In considering Volusia County as a

potential site for his enterprise, Zarabi toured the Mori Hosseini College of Hospitality and Culinary Management at Daytona State College.

"This is a fantastic program and I hope to hire quite a few people from there," he said. Long range, he'd like to have plants in Chicago, and Nevada or Arizona. But for now, he is enjoying being a resident of Volusia County – at least between business trips.

Zarabi moved here from the Washington D.C. area, where he owned Federal Bakers USA before selling the company in 2012. Federal Bakers' customers included Marriott Hotels and the popular Crumbs Cupcake Store chain among others.

The Blue Coast Bakers operation in Ormond Beach is a capital investment of about \$12 million. The company already has held a career fair in collaboration with CareerSource of Volusia Flagler and is building its workforce. Zarabi and his team already have hired dozens of workers and project the workforce could total 150 in a year or so. ■

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An advertisement for Florida Hospital Volusia/Flagler. It features a portrait of a smiling man in a green shirt. The text reads: "Experience Your Florida Hospital". To the right is a graphic of a hospital building with a starburst effect. Below the building are several accolades: "Accredited Chest Pain Center", "Society of Chest Pain Centers", "Area's Most Preferred Hospital since 2010", "U.S. Dept. of Health & Human Services", "2012 Governor's Sterling Award for Excellence", and "State of Florida".

To learn more and take a heart-health risk quiz, visit [www.YourFloridaHospital.com/Heart](http://www.YourFloridaHospital.com/Heart)

FLORIDA HOSPITAL  
MEMORIAL MEDICAL CENTER  
Cardiovascular Institute

# Craft breweries creating loyal patrons

It's a good time to be a beer drinker. In fact, with the phenomenal growth of craft breweries across the nation, the website craftbeer.com refers to this as: The Golden Age of Beer. Craft beers and local brewers are available in an increasing number of cities and towns across the nation, including Volusia County.

As with many craft breweries, most of Volusia County's establishments grew from home brewers whose passion for a better beer drove them to entrepreneurship. The exponential growth of the Internet and social media fueled the exchange of ideas and processes that has attracted more crafters to turn their passion into businesses.

Of course, taste is king, but there is also a small town allure to craft beers, not unlike the passion many baseball fans have for the minor leagues with their up-close-and-personal ballpark experiences, hokey mascots, never-ending events designed to maximize engagement, and very local hometown names. Think Tulsa Drillers, Toledo Mud Hens, Pensacola Blue Wahoos, and of course, the Daytona Tortugas.

Let's take a short hop around Volusia County to see what's brewing (sorry) at some of our craft brewers.

Welcome to **Persimmon Hollow Brewing Company** in DeLand. Before Henry DeLand arrived, the city was known as Persimmon Hollow. The brewery is the dream of two great friends who turned a hobby and passion into a career -- Robbie Carelli and Andy Sistrunk. Carelli is a Stetson University grad. They turned a former parking garage into a brewery and tap room and make craft beers for beer enthusiasts from the casual beer drinker to beer drinkers with the most discerning palates.

The brewery's flagship beers include Beach Hippie ("strong, bold and ready to fight



the man"), Dee-Land White Ale (won a gold medal in the 2011 Sanford Brew Ha-Ha), Funky Freddy Fitz (named for Freddie Fitzgerald, grandfather of one of the owners), Paddle Wheeler (promoted as the perfect antidote to sun overexposure) and a host of "one ofs" and seasonal specialty beers.

The **Tomoka Brewery** has locations in Ormond Beach and Port Orange. The enterprise was formed in 2013 and is owned by Pete Szunyogh and his wife, Jen Hawkins. Both come from culinary arts careers. Pete was a pastry chef in Budapest and Jen owned a pizza chain in Ocala. They love the brew pub platform to express their passion for good food and good beer, according to Jen Hawkins.

Tomoka Brewery's Ormond Beach location is dedicated to sour brewing, a technique rapidly gaining favor among craft beer enthusiasts. Recent beer releases include Kumquat American Sour and Brett Pale Ale. Its core brews include Solar Flare Red IPA.

For the uninitiated, IPAs are flavorful beers with big herbal and/or citric character and some bitterness, moderate to medium bodied and with a malt backbone. The initials stand for India Pale Ale, the hoppy predecessor to American IPA beers. Others include Hop Quest, Hazy Sunrise, Wheat Ale, Poontangerine Florida Weisse and Lunar Eclipse Stout.

**Ormond Brewing Company.** Under the direction of its president, Justin Robinson,

the enterprise began with a friendship among home brewing enthusiasts. After sampling one another's brews and collaborating on numerous small batches of beer, the company was born.

The company's brewer, Jon Pennett, has had a lifelong passion for home brewing and craft beers. He is a perfectionist, particularly when it comes to the intricate brewing processes that produce the company's products. So particular is Pennett that he personally engineered the company's brew system.

A newcomer to the local craft beer market is the **Daytona Beach Brewing Company**, which opened in July 2014. Alan Fawcett is the owner. He and his wife, Mer, launched the venture on Fentress Boulevard near the Speedway. When the tap room first opened it served guest beers from around the state including The Funky Buddha Brewery, and Engine 15 Brewing Company while he was completing the construction of the brew house.

Now his own brews include Some Beach Brown Ale, Psamathe IPA, Ocean Breeze Belgian White Ale, Saison, Beach Town Pale Ale and more. There are also seasonal brews such as the Daytona Hefeweizen, Daytona 2X Belgium Stout and for Christmas a special peppermint infused 11.2 percent Belgian Chocolate Milk Stout. **New Smyrna Beach Brewing Company** set up shop on Sams Avenue in 2013.

This company is owned by Chris Coyle. He began as a nanobrewery (a scaled-down microbrewery), a three-barrel brewery with several taps for his own recipes and a couple of taps for selected craft beers from other Florida locations. Of course, patron favorites vary, but Shark Attack IPA, which reportedly has just the right amount of "bite", is getting good reviews as is Coronado Beach Cream Ale. Cheers. ■

## ECONOMIC DEVELOPMENT 101

# Wooing site selectors a big piece of business development efforts

Site selection consultants play a significant role in deciding which communities get 'short listed' by firms that are seeking to make large capital investments in new facilities. For that reason, the Team Volusia Economic Development Corporation targets this important group of business professionals in its marketing efforts.

Keith Norden, Team Volusia's president and CEO, reports on these efforts during his organization's monthly board meetings.

As an example, Boyette Strategic Advisors, a highly-regarded site selection consulting firm in Little Rock, Arkansas, last year was commissioned by Team Volusia to provide an in-depth analysis of potential development sites and properties throughout Volusia County. Norden and his staff worked closely with 10



**Rob Ehrhardt,**  
Manager, Volusia  
County Economic  
Development  
Division

Volusia investor cities to evaluate 19 locations. Boyette then identified the assets and challenges of each site, and offered site-specific marketing recommendations for each.

In addition to these individual reports, the firm provided an overall impression of Volusia County and the county's potential for new development projects in today's highly competitive business environment. Del Boyette, president and CEO, concluded Volusia County is well

positioned for new development. He based his opinion on Volusia's diversity, strategic geographic location, and five colleges and universities, whose presence is a competitive advantage. Boyette's background includes stints as chief economic development professional for Georgia and Arkansas.

Another example of Team Volusia's efforts to establish positive awareness of Volusia County involved Duke Energy and the firm McCallum Sweeney Consulting, which conducted a detailed analysis of a large tract of undeveloped land in Deltona. The firm analyzed more than 150 variables and produced a study and conceptual plan for use by the city and the land's owners. The findings were highlighted in the Wall Street Journal.

These are just a few of the efforts

spearheaded by Team Volusia to create awareness for Volusia County in the complex decision-making process associated with today's corporate development projects. These efforts are working.

Team Volusia's "pipeline" documents the organization's project activity. The significantly increased number of visits to Volusia County in 2014 is further evidence of Volusia County's ascension in the minds of site selectors and economic development prospects. Those visits more than doubled last year when compared to visits in 2013.

Looking ahead, Team Volusia's 2015 outreach strategy includes numerous planned interactions with these influential business professionals who are directly engaged with corporate decision makers. ■



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Boat builder expands manufacturing plant, adds jobs in Edgewater.

# Boston Whaler celebrates Edgewater plant expansion

Boston Whaler is one of Volusia County's most substantial manufacturers. And the boat manufacturer's presence is even bigger with the recent expansion of its manufacturing headquarters in Edgewater.

A host of dignitaries including representatives from Volusia County and the City of Edgewater were on hand early in January to help cut the ribbon for the new manufacturing space that will help the company increase its output and add to its workforce.

Last year, the company announced a major facilities expansion at its Edgewater headquarters. The expansion includes more than 58,000 square feet under roof and significantly increases Boston Whaler's manufacturing capabilities and capacity as the company continues to undergo significant growth. The expanded capabilities have increased

the company's workforce by nearly 50, pushing employment at the plant beyond the 500 mark and average salaries exceeding \$41,000.

"This expansion gives us the capability to continue to grow our portfolio," said Huw Bower, Boston Whaler president. "We are proud to have introduced more than a dozen new boats in recent years, and look forward to continuing this trajectory of innovation. Expanding the capacity of our facility underscores our commitment to continued growth and enables us to further expand our product line to meet the solid demand for our boats. Boston Whaler is committed to the Edgewater community, and we are thrilled to have been able to invest in this expansion."

The Volusia County Council's decision to provide local financial support for Boston Whaler's

participation in Florida's Qualified Target Industry Tax Refund (QTI) program was an important component of the company's decision to expand its Edgewater facility, Bower said. The QTI incentive program is designed to encourage higher-skill job creation and foster economic growth. "The Boston Whaler brand is internationally known for quality, and the decision to expand this manufacturing facility will provide residents with quality job opportunities," said Rob Ehrhardt, Volusia County Economic Development director. Eighty percent of the \$138,000 incentive package is to be paid by the state, with 20 percent being paid by the county.

"The creation of additional jobs helps the entire community," said Tracey Barlow, Edgewater city manager. "Boston Whaler has been a very strong partner for our community, and we look forward to a

# Scene & noted...



**News and notes from recent editions of  
On the Economic Scene, the Monday  
morning newsletter of Volusia County  
Economic Development**

**ONLINE VERSION AT  
FLORIDABUSINESS.ORG**

**On the Economic Scene** is Volusia County Economic Development's popular newsletter that is faxed every Monday and then posted on-line. The one-page communication features timely briefs on economic development-related subjects. The newsletter reaches more than 2,000 people every week. If you would like to receive it, contact Volusia County Economic Development at 386-248-8048. Here are a few briefs that appeared in recent editions. If you have news you would like to share, please send it to Dave Byron, Volusia County Community Services Department director, 123 W. Indiana Ave., DeLand, FL 32720-4612, or by e-mail at: [dbryon@co.volusia.fl.us](mailto:dbryon@co.volusia.fl.us).

## 504 LOANS A FINANCING OPTION FOR SMALL BUSINESSES

**BUSINESSES** – The U.S. Small Business Administration (SBA) can provide financing to small businesses through the Certified Development Company (CDC) Economic Development Loan Program, also known as the SBA 504 Loan Program. SBA 504 loans finance the purchase of major fixed assets, such as owner-occupied commercial real estate and long-life equipment, by distributing the loan among the business owner, a conventional lender, and a CDC. The Small Business Development Center (SBDC) at Daytona State College can help local businesses with completion of a SBA 504 Loan application. For information, call the SBDC at 386-506-4723.

## GRANTS AVAILABLE FOR ADVANCED MANUFACTURING, MANAGEMENT TECHNOLOGIES

**MEP (FLMEP)**, a not-for-profit organization, assists manufacturers by providing access to technology for improved productivity, workforce training in lean manufacturing, ISO/ITAR compliance, exporting logistics and supply chain integration. Through FLMEP programs, many funded by grants, companies learn tactics to innovate, save money, implement more efficient management strategies and lean methodologies to improve the bottom line. For information contact Leigh Shapleigh at Volusia County Economic Development at 386-248-8048.

## IMPORTANT TO DOCUMENT STORM-RELATED DAMAGE

– Volusia County has not met disaster declaration thresholds for assistance related to recent flooding, but it is important for all agencies to continue to document storm-related expenses (staff hours, equipment use, etc.). Should the area experience additional flooding, cumulative damages might be included and could reach the threshold for a disaster declaration.

## NEW CODES FOR WOMEN-OWNED BUSINESS FEDERAL SET ASIDE CONTRACTS

**The Women-Owned Small Business federal contract program** authorizes contracting officers to set aside certain federal contracts for women-owned small businesses or economically disadvantaged women-owned small businesses. Updates to the eligible NAICS code listings are available. For information go to: [tinyurl.com/o2udcw9](http://tinyurl.com/o2udcw9) or call Leigh Shapleigh at 386-248-8048.

**FLORIDA SBDC NETWORK UNVEILS NEW WEBSITE** – The Florida Small Business Development Center (SBDC), the state's leading provider of small business assistance, has updated its website. Besides a new look, the site's navigation has been streamlined to include a functional mobile design. The website is: [FloridaSBDC.org](http://FloridaSBDC.org). The SBDC at Daytona State College website can be accessed at: [sbdcdaytona.com](http://sbdcdaytona.com).

## ENTERPRISE FLORIDA RECOGNIZED AS A BEST IN CLASS

**IN CLASS** – Enterprise Florida, the state's economic development agency, has been recognized as the country's best economic development organization by Development Counselors International (DCI). Enterprise Florida has improved its marketing and communications economic development process by better collaborating with state, regional and local partners, and working closely with site selectors. For an executive summary go to: [aboutdcil.com/winning-strategies](http://aboutdcil.com/winning-strategies).

## TRADE MISSION TO PERU

– Enterprise Florida will lead a trade mission to Peru in March. Peru is Florida's eighth largest trading partner. In 2013, Peru achieved its 15th consecutive year of economic growth at 5 percent, and the country continues to be one of the best performing economies in Latin America with a 4 percent projected growth rate in 2014 and 5 percent in 2015. For information contact: Leigh Shapleigh at 386-248-8048.

## GRANTS AVAILABLE FOR COMPANIES TO ATTEND HOSPITALAR 2015

**HOSPITALAR 2015** – Enterprise Florida can assist qualified local companies who want to participate in Hospitalar next May in Brazil, a health fair with almost 90,000 visitors and more than 1,250 exhibitors. Brazil is the largest economy in South America and the Brazilian healthcare market exceeds \$125 billion annually. Imports account for approximately 25 percent of the market, with the U.S. providing 50 percent of all imports to that country. The health fair is targeted to companies in advanced medical equipment, disposables, diagnostic devices, and implants and components. For information call Leigh Shapleigh at Volusia County Economic Development at 386-248-8048.

## GRANTS AVAILABLE FOR BUSINESS STARTS IN BRAZIL

– Enterprise Florida has a limited number of Florida-

Brazil Market Entry Grants to small and medium-sized companies interested in establishing a presence in the Brazilian market. These \$1,050 grants cover the cost of a two-day Gold Key (one-on-one business matchmaker service) for companies that are new to exporting to Brazil. For information call Leigh Shapleigh at Volusia County Economic Development at 386-248-8048.

**THREE THINGS GREAT COMPANIES DO EVERY DAY** – The first step to a great product is getting to know audience demands and needs. The next pillar of revenue success is marketing, an integral part of building a great product or service. That leads to the third critical pillar of success, selling. Success requires a detailed action plan.

**TAPESTRY MAPPING SYSTEM UPDATED** – Mapping company ESRI has updated its Tapestry Segmentation system. The new edition combines census and marketing data to create a searchable map of the U.S. that allows users to parse by zip code. Go to: [esri.com/data/esri-data/ziptapestry](http://esri.com/data/esri-data/ziptapestry).

## FREE COFFEE, NETWORKING EVERY WEDNESDAY

– 1 Million Cups is a national event designed to engage, educate and accelerate local business startups by connecting entrepreneurs over coffee. The Small Business Development Center at Daytona State College is participating in this event by offering free coffee and networking every Wednesday from 9 - 10 a.m. at Sweet Marlays' Coffee in downtown Daytona Beach.

**EXPERIENCE PAYS** – CareerSource Flagler Volusia has a new training program to assist local businesses and workers in developing the skills needed for both to succeed. The program provides businesses the opportunity to develop the workers needed for today's jobs through practical hands-on, work-related training at the nearest career center. For information contact CareerSource at 386-323-7079.

**ECONOMIC SCENE, OTHER KEY DATA AT FLORIDABUSINESS.ORG** – The county's [floridabusiness.org](http://floridabusiness.org) website contains a wide variety of data and key reports and past issues of On the Economic Scene and the Economic Development Quarterly publication. ■



Dignitaries cut the ribbon marking completion of the ambitious expansion at Boston Whaler in Edgewater include (from left) Debbie Saulnier, Boston Whaler Customer Care Representative; Rebecca Crews, Boston Whaler Vice President of Manufacturing Operations; Mark Essig, Boston Whaler Manufacturing Engineering Manager; Deb Denys, Volusia County Council District 3; Mark Schwabero, President and Chief Operating Officer of Brunswick Corporation; Danny Ryan, Product Development Supervisor; Huw Bower, Boston Whaler President; Dennis Tilden, Boston Whaler Director of National Sales

long and prosperous future with them.” For more than 50 years, Boston Whaler has been building superior quality unsinkable runabouts, cruisers and center console boats. Founded in 1958 and now headquartered in Edgewater, the company's foam-cored construction process contributes to

unparalleled flotation and superior ride characteristics and durability. The current product line ranges from 11 to 37 feet and is distributed around the world by a network of dealers. Boston Whaler is owned by Brunswick Corporation, the largest marine manufacturer in the world. ■

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Photo 12/10/2014

Massive distribution center taking shape on west side of Daytona Beach

# Regional distribution center for Trader Joe's taking shape

The imposing structure rapidly taking shape along I-95 between International Speedway and LPGA boulevards on the west side of Daytona Beach is the new regional distribution center being developed by the upscale national grocery chain, Trader Joe's, a California-based company whose brand is known for its creativity and a loyal customer base.

Last year, there were high fives all around when Consolidated Tomoka sealed the deal to sell approximately 76 acres to Trader Joe's with the help and collaboration of several entities.

"This is a textbook example of business and government community resources

working together toward a common goal," said Rob Ehrhardt, Volusia County's economic development director. "This kind of teamwork, public/private sector collaboration, and the natural and infrastructure attributes of our community show that Volusia County is the perfect location for a major distribution center and other transportation-oriented projects."

The distribution center will cover more than 630,000 square feet on 76 acres just east of Interstate 95. The land was purchased from Consolidated Tomoka for \$7.8 million. The cost of construction is projected to be \$31 million. The complex will include two refrigerated warehouses and a vehicle maintenance facility.

The distribution center will employ 450 plant workers and as many as 100 truck drivers.

The site's location is close to the crossroads of Interstate 95 and Interstate 4 and was a selling point. A \$15-million incentive package assembled by Consolidated Tomoka, Volusia County Government, Enterprise Florida, City of Daytona Beach, and CEO Business Alliance helped to fund improvements for the infrastructure.

The regional distribution center is expected to be operational in late 2015 and will begin to serve Trader Joe's stores throughout the South. Volusia County does not have a Trader Joe's retail location, but the company has stores

in Winter Park, Jacksonville and Gainesville, among more than 400 locations across the nation.

Trader Joe's origins date back to the 1950s when it was a small chain of convenience stores. Back then it was known as Pronto Markets. In 1967, its founder, the original Trader Joe, changed the name to Trader Joe's and changed its business culture.

The stores became bigger, decked the walls with cedar planks and the crew donned cool Hawaiian shirts. It began packaging innovative, hard-to-find, and great-tasting foods under the "Trader Joe's" brand, cutting costs and saving shoppers money. ■

# Transportation projects help fuel local economy, but need far surpasses available revenues

A network of good transportation options is a sign of a quality community. Roads, aviation, rail and public transit are vitally important. A snapshot of transportation in Volusia County shows a system that is performing well, but is overburdened in some areas. There are many projects on the drawing board and even more on wish lists. But money for these projects is locked in a perpetual tug-of-war between need and funding.

"Transportation is essential, it's that simple," said Maryam Ghyabi, CEO of Ghyabi & Associates, an engineering and planning firm that has been engaged in many transportation projects. "Transportation systems are vital to us as individuals, but transportation infrastructure also is the lifeblood of business and the economy. Even the Internet would be compromised severely without strong, dynamic, reliable transportation infrastructure behind it."

Ghyabi was instrumental in forming the ISB Coalition, which is dedicated to improving International Speedway Boulevard as a port of entry to the Daytona Beach area, including the approach to Daytona Beach International Airport.

Air travel is convenient and reliable in Volusia County. Daily nonstop and connecting flights to and from Daytona Beach International Airport (DBIA) serve more than 600,000 passengers annually. DBIA gets high marks for ease-of-use and convenience on passenger surveys. "The most consistent request we get is for more air service," said Rick Karl, Volusia County's director of Aviation and Economic Resources. "Many people know we are in constant contact with carriers and we are lobbying for new routes. This includes Delta Air Lines and US Airways, which serve our market (US Airways has merged with American Airlines, whose graphics have been added to most aircraft serving DBIA). Conversations include other carriers. We are optimistic that one or more of them will add DBIA to their route maps when market conditions dictate. Chief among them is JetBlue, with which we have had ongoing communication in recent years."

Another facet of transportation is Votran, the public transit system run by Volusia County Government, as is DBIA. Votran provides transportation to all urban areas of the county with a fleet of revenue-producing fixed-route buses, van pool vehicles assigned to commuters, and paratransit vehicles, according to Steve Sherrer, Votran's general manager. Votran's staff has grown to 250 employees. Votran is a vital service to a significant portion of the workforce including people who rely upon public transportation to get to and from work. Equally important are specialized Votran services for persons who are elderly or disabled. Votran also has a pivotal role in the county's emergency



Transportation has huge impact on quality of life, local economy

management plan when sudden evacuation is necessary. And Votran has adapted its routes and schedules to support SunRail service from the new DeBary station.

However, Votran poses a funding challenge for the Volusia County Council. Currently, the county's general tax fund contributes about \$8 million a year to Votran operations. And with needs growing, the county is grappling with pressure to increase the contribution from taxpayers, without another dedicated funding source.

SunRail, the commuter train service linking Volusia County to the rest of Central Florida, enjoyed a successful launch in 2014. Initial ridership exceeded expectations and passengers gave the service high marks for efficiency, value, Internet access, and comfort. In fact, consumer demand for night service and extending service to DeLand underscored interest in seeing the service expand. Night service has been added on a trial basis and plans for a DeLand station are progressing. But extending the line to Daytona Beach International Airport is only on the unofficial consumer wish list at this point.

And then there are roads.

With Central Florida being a leading center of growth in America, there are never enough roads and the roads that are in service need maintenance or makeovers due to the wear and tear of heavy traffic. Studies have analyzed needs on the interstates, along U.S. 92, pedestrian access improvements, connectivity and even the value of roundabouts along existing roads.

Pedro Leon, Business / Project Manager for Volusia County's Economic Division, highlighted

some of the road projects underway or planned.

"The investment of federal, state and locally-funded road projects exceeds half a billion dollars," he said. "They will add greatly to our capacity to handle increased traffic safely and efficiently." Among these projects are those under the direction of the Florida Department of Transportation's District 5, which includes Volusia County. A few minutes on the FDOT's website titled [cfrroads.com](#) shows the extensive volume of projects underway.

Interstate 95 is being widened from four lanes to six lanes from north of State Road (S.R.) 44 to north of U.S. 92 (International Speedway Boulevard). The southern project limit will tie into the ongoing I-95 widening project to the south (from south of S.R. 406 to north of S.R. 44). The project scope also includes the reconstruction of the system's interchange with I-4, I-95 and U.S. 92. Safety is being improved along U.S. 92 with wider sidewalks, a pedestrian bridge and drainage improvements between Williamson Boulevard and Midway Avenue in Daytona Beach.

I-4 (S.R. 400) is being widened to six lanes from east of S.R. 44 to west of I-95. The existing left exit from eastbound I-4 to U.S. 92 will be changed to right exit and the project includes three animal crossings.

The I-95 widening and system interchange reconstruction is a \$205-million project. According to FDOT District 5 staff, the widening of the ongoing Volusia County tie-in segment of I-95 is a \$63-million project. And the widening of I-4 and S.R. north to I-95 is a \$134-million project. The widening of S.R. 415 comes in at \$51 million.

The pedestrian safety improvements project along U.S. 92 is a \$17-million project.

Locally, the county's road and bridge program focuses on the areas of greatest need, balanced with the challenge of funding projects in an era when revenues from gas taxes are diminishing. Still, several projects are underway. Replacement of the 50-year-old Veterans Memorial Bridge in Daytona Beach has a \$46-million tab (funded by the state). Tymber Creek Road in Ormond Beach, a county road project, has been rebuilt as a four-lane road and represents an investment of \$6.1 million. The conversion of Saxon Boulevard is funded with \$2.95 million from the county and \$1.44 million from a state grant.

Last quarter, Economic Development Quarterly reported on the reconstruction of Orange Avenue from Beach Street to Nova Road, a \$17-million project that will continue through 2016. The work includes a new base and surface and subsurface water, sewer and drainage systems. Traffic signal systemization and street lighting will be upgraded, sidewalks are being widened to six feet and utilities will be buried. Funding is provided by the City of Daytona Beach, Volusia County, Florida Department of Transportation and the Florida Department of Environmental Protection (FDEP).

Planned road improvements in Volusia County can be viewed using the interactive project map web site at [volusia.dtstiptool.com/interactivemap](#). Projects can be searched by location, description, and funding status over the next five fiscal years based on the Transportation Improvement Program. ■

# Residential construction permits dip, but values rise to end 2014; commercial permits climb in fourth quarter



News-Journal/BOB KOSLOW

Site work is underway for a commercial development in Ormond Beach that will be called The Shoppes on Granada. The three-building, 31,000-square-foot retail center at 1298 W. Granada Ave. will be home to several restaurants and businesses including Panera Bread, Chipotle and Pie Five.

The pace of permit activity for new construction slowed in 2014, compared with the surge seen in 2013, but last year still wound up as being one of the strongest for Volusia County since the Great Recession.

The 1,182 residential construction permits issued last year is down slightly from the number issued the previous year, but nearly three times the number issued in 2011, according to data compiled by the county's economic development division. The total was the county's second highest since 2007.

On the commercial side, 97 permits were issued last year, down from 107 in 2013, but roughly 50 percent more than the number issued in 2012, according to county data which does not include permits for renovations or expansions of existing commercial properties. However, there is one notable exception -- the \$400 million Daytona Rising makeover of the nearly one-mile front stretch at Daytona International Speedway.

## RESIDENTIAL

In the fourth quarter, 259 residential permits were issued countywide, down from 306 the

same quarter the previous year.

Sandy Burke Bishop, chief executive officer for the Volusia Building Industry Association, said the dip in residential building permits is not a reflection of decreased demand in the marketplace, which remains strong, but rather a growing scarcity of ready lots and an increasing shortage of available skilled construction workers.

Bishop added that building permit numbers in 2013, which skyrocketed 69 percent from 2012, were boosted in part by builders scrambling to submit permit applications before the moratorium on impact fees for new construction was set to expire at the end of that year.

She said the market for new home construction is continuing to improve at a "slow, but steady pace" from the recession, which began in December 2007 and didn't end, at least nationally, until June 2009.

Economist Sean Snaith, director of the institute for economic competitiveness at the University of Central Florida, told a gathering of the Daytona Regional Chamber of Commerce in December, that economic data

now shows the recession in Florida continued through the end of 2011. "That makes the turnaround in Florida all the more impressive. We're actually outpacing the rest of the nation in economic growth."

Bishop said several national homebuilders have responded to the recovery of the home construction market by snapping up large chunks of available buildable lots in the area, but that has resulted in a squeeze for mid-sized and small independent builders.

In addition to the improving economy, which has resulted in lowering the unemployment rate locally as employers have stepped up hiring, Bishop said the home construction market's recovery also has been aided by near record low mortgage rates and pent-up consumer demand.

Kevin Mays, East Central Florida division president for Daytona Beach-based ICI Homes, said he expects the local market for home construction to continue to improve this year.

"I have three reasons for being optimistic in 2015," he said. "Unemployment is down, interest rates are low, and the Florida population is growing again, 1,000



News-Journal/BOB KOSLOW

Construction workers mix and apply a stucco finish to a new home being built by D.R. Horton in the Wellington Woods subdivision in south DeLand.

(newcomers) a day are coming to Florida. We are seeing a great number of buyers, mainly retirees. It's the right time to move money from the stock market and 401(k)s into real estate."

Mays agreed with Bishop's contention the shortage of available skilled workers has held local homebuilders back from growing at a faster pace.

"We need to replenish the skilled labor pool in areas such as carpentry, plumbing and electrical," he said. He noted the area lost some skilled workers during the recession who moved to other parts of the country, switched professions or retired. "We need younger people."

Among individual cities, the 51 residential permits issued by DeLand during the last quarter led all jurisdictions. New Smyrna Beach was second with 43 residential permits issued, followed by Ormond Beach which issued 27 residential permits.

While fewer residential permits were issued, the average value of those projects was significantly higher -- \$333,743, up from the \$307,189 average value of homes permitted in the final three months of 2013.

## COMMERCIAL

The 23 commercial permits issued countywide during the last quarter of 2014 is nearly double the amount issued in the final three months of 2013.

Daytona Beach issued nine commercial permits last quarter, the most of any city. The estimated combined value of those projects -- \$48.3 million -- accounted for the lion's share of the total \$60.7 million estimated value for commercial projects permitted countywide.

The average value for commercial permits in Volusia County last quarter was \$2.65 million, up from \$1.16 million in the fourth quarter of 2013.

Notable commercial projects receiving the green light to begin construction in the fourth quarter included a \$12.4-million permit for the 524,000-square-foot main hub building for the Trader Joe's regional distribution center on the east side of Interstate 95, just north of Dunn Avenue; two dormitories for Bethune-Cookman University valued at \$12 million and \$10.5 million; and the future home of the Daytona Nissan dealership at the south end of Daytona International Auto Mall valued at \$7.9 million.

Commercial permit activity declined 9 percent in 2014 compared with 2013, but rose 34 percent in estimated value.

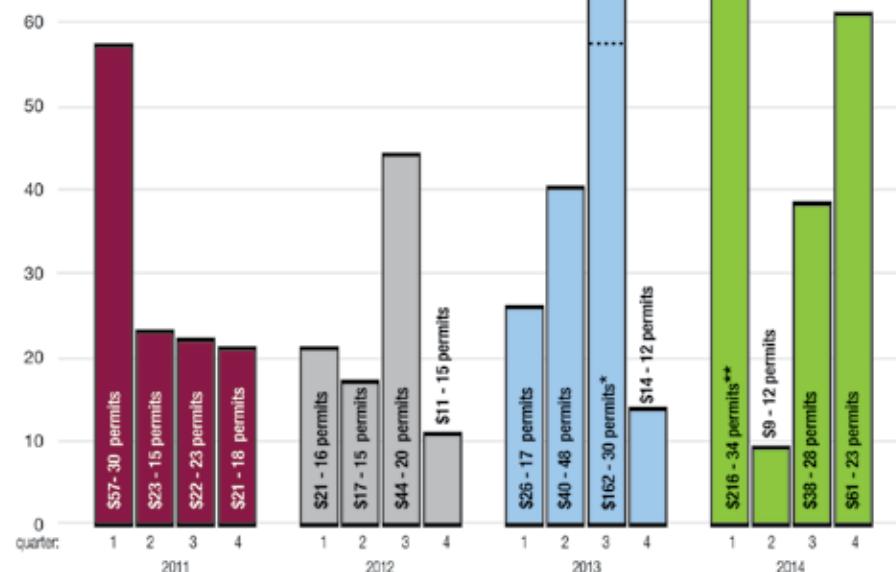
"Subtract the two large single commercial permits for

Daytona Rising in the third quarter of 2013 and first quarter of 2014 and year-over-year growth in total dollars for 2014 was up approximately 25 percent compared with 2013," said Rob Ehrhardt, Volusia County economic development director. "We remain optimistic that 2015 will bring increased commercial permit activity."

Projects expected to break ground in 2015 include the proposed beachside Hard Rock Hotel & Cafe and Protogroup hotel/condo project. Construction also is expected to begin sometime this year on the initial phase of the planned \$800-million One Daytona entertainment/retail complex across the street from Daytona International Speedway. ■

value of permits  
\$ million  
\$70

**Volusia County commercial permit data**  
2011 - 2014 by quarter



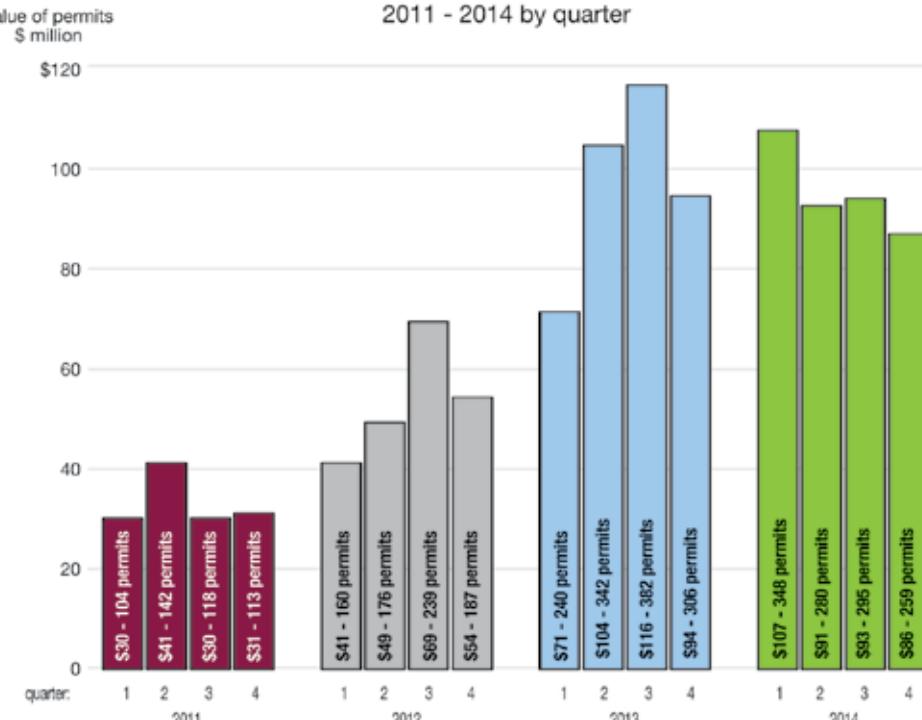
Source: cities and county permit offices reporting new construction activity.

\* Q3 2013 includes single \$105m permit for Daytona International Speedway.

\*\* Q1 2014 includes single \$152m permit for Daytona International Speedway.

value of permits  
\$ million  
\$120

**Volusia County residential permit data**  
2011 - 2014 by quarter



Source: cities and county permit offices reporting new construction activity.

Note: Dotted lines represent permit total excluding single permit for Daytona International Speedway.

## Commercial building permits issued in Volusia County fourth quarter 2014

Ranked by total value of projects

Area	October permits	November permits	December permits	Total permits	Total quarter
1 Daytona Beach	2	5	2	9	\$ 48,361,229
2 Deltona	0	2	0	2	\$ 5,300,000
3 Ormond Beach	0	1	2	3	\$ 3,235,215
4 Port Orange	2	0	1	3	\$ 1,440,539
5 Orange City	0	0	1	1	\$ 1,250,684
6 New Smyrna Beach	0	2	2	4	\$ 1,022,100
7 DeLand	0	0	1	1	\$ 142,181
8 Daytona Beach Shores	0	0	0	0	\$ -
8 DeBary	0	0	0	0	\$ -
8 Edgewater	0	0	0	0	\$ -
8 Holly Hill	0	0	0	0	\$ -
8 Lake Helen	0	0	0	0	\$ -
8 Oak Hill	0	0	0	0	\$ -
8 Pierson	0	0	0	0	\$ -
8 Ponce Inlet	0	0	0	0	\$ -
8 South Daytona	0	0	0	0	\$ -
8 Unincorporated	0	0	0	0	\$ -
	4	10	9	23	\$ 60,751,948

Source: cities and county permit offices reporting new construction activity.

## Residential building permits issued in Volusia County fourth quarter 2014

Ranked by total value of projects

area	October permits	November permits	December permits	total permits	total quarter
1 DeLand	25	7	19	51	\$ 17,681,828
2 Unincorporated	18	8	22	48	\$ 15,399,907
3 New Smyrna Beach	17	20	6	43	\$ 13,898,016
4 Daytona Beach	8	3	12	23	\$ 9,369,629
5 Ormond Beach	13	7	7	27	\$ 8,362,007
6 Deltona	13	0	7	20	\$ 8,306,001
7 Port Orange	14	5	4	23	\$ 8,108,343
8 Edgewater	12	0	6	18	\$ 3,124,250
9 DeBary	2	0	3	5	\$ 1,640,273
10 Pierson	1	0	0	1	\$ 549,339
11 Daytona Beach Shores	0	0	0	0	\$ -
11 Holly Hill	0	0	0	0	\$ -
11 Lake Helen	0	0	0	0	\$ -
11 Oak Hill	0	0	0	0	\$ -
11 Orange City	0	0	0	0	\$ -
11 Ponce Inlet	0	0	0	0	\$ -
11 South Daytona	0	0	0	0	\$ -
	123	50	86	259	\$ 86,439,593

Source: cities and county permit offices reporting new construction activity.



## **It's our business to help your business grow.**

The Volusia County Division of Economic Development is a free resource available to businesses in Volusia County needing assistance with business planning in the areas of:

- top line revenue growth,
- hiring and training,
- financing/loan opportunities,
- product/facility improvements, and
- supply chain issues.

The division specializes in assisting manufacturing and knowledge-based companies with high growth potential

who require capital investment (i.e. corporate headquarters, research and development facilities, etc.) and are in targeted industries such as aviation and aerospace, clean tech, financial/professional services, homeland security/defense, infotech and life sciences.

The division is a partner with Volusia County's cities and chambers of commerce to promote the growth of new jobs in their communities.

Call our office or visit our web site at [floridabusiness.org](http://floridabusiness.org) for detailed information about available services.



[www.floridabusiness.org](http://www.floridabusiness.org)

telephone: 386.248.8048

Volusia County Division of Economic Development, 700 Catalina Drive, Suite 200, Daytona Beach, FL 32114